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African Regional Workshop of Experts on the Role of Private Business and Parastatals in the accelerated Implementation of the Programme of Industrial Development Decade for Africa

Addis Ababa, 11-13 December 1985

LC/NAIROBI.

R E P O R T

PART ONE

ACCOUNT OF PROCEEDINGS

A. ORGANIZATION AND ATTENDANCE

1. The first African Regional Workshop of Experts on the Role of Private Businesses and Parastatals in the accelerated Implementation of the Programme of Industrial Development Decade for Africa, organized by the United Nations Economic Commission for Africa (ECA) as lead organization, in collaboration with the Organization of African Unity (OAU) and the United Nations Industrial Development Organization (UNIDO) was held in Addis Ababa, Ethiopia from 11 to 13 December 1985. The objective of the workshop was to define and highlight the State's role both as regulator and economic operator on one side and the contribution that the indigenous agents of production and distribution on the other side could and should make for accelerated implementation of the IDDA at national, subregional and regional levels.

Participation

2. The following member States were represented at the workshop: Ethiopia, Ghana, Kenya, Senegal, Togo, Tunisia and Zimbabwe.

3. Representatives of the Development Bank of Central African States also attended the meeting.

B. FORMAL OPENING OF THE MEETING (agenda item 1)

4. The meeting was formally opened by Mr. Jeegan Senghor, Special Assistant and Representative of the Executive Secretary of the Economic Commission for Africa. In his address, the representative of the Executive Secretary welcomed the participants to the first workshop on the role of indigenous private businesses and prastatals in the accelerated implementation of the Industrial Development Decade for Africa, a relatively untapped and unexplored theme at a time when an unprecedented and global economic crisis has been hitting African economies and in particular their already vulnerable industrial sector.

5. He highlighted the need at this crucial juncture to critically reassess the role being played and to be played by Governments, the public sector and private businesses in achieving the fundamental twin objectives of a self-reliant and self-sustained industrialization through structural transformation of African economies and establishment of an integrated structure of basic industries which by virtue of their backward and forward linkages and strong growth generating effects on their economic sectors mutually reinforce themselves, make optimal use of locally available resources and meet the basic needs of African population. In this process, he emphasized the critical contribution of resources-based and engineering core industries

to be developed such as metallurgical, engineering and building materials which provided critical inputs to other major sectors of agriculture, transport and energy. He equally stressed the role small-scale industries can play in contributing to self-reliance and self-sustainment and in solving unemployment.

6. The representative of the Executive Secretary impressed upon the participants that industrial self-reliance and self-sustainment imply internalization and indigenization of the development process. In other terms, this implies the predominance of indigenous agents of production and distribution (private businesses and parastatals) in national economic activities, predominance of indigenous industrial investment and output, an inwardly market oriented industrial production, a sound local scientific and technological base and a deliberate policy for promoting the development and the full utilization of indigenous private businesses and parastatals and providing them with the necessary support services.

7. He further pointed out that the poor performance of the African economies was the result, inter alia, of the neglect by Governments of the crucial and irreplaceable importance of the indigenous private businesses and prastatals and the inadequate support given to them, thus undermining their role in making effective contribution in the accelerated industrial development of Africa.

8. As a result of the above situation, he stated that the workshop was being organized to offer the representatives of Government, parastatals and private businesses a forum to discuss issues and problems facing indigenous business operators, find measures and define responsibilities each party should shoulder in order to promote rapid industrial development in Africa.

9. The representative of the United Nations Industrial Development Organization briefly reviewed Africa's economic crisis particularly in the industrial sector. He pointed out how in spite of a rich natural resource base, Africa still remains dependent on a narrow range of primary commodity export most of which are affected by price fluctuation in international markets and/or climatic changes. In addition many industrial projects in Africa have performaned poorly and proven a drain to foreign exchange reserves thus contributing to Africa's indebtedness as well as adverse effects of world economic recession.

10. What is required is an increase in local production of essential factor inputs to industry. He recalled that both the industry chapter of Lagos Plan of Action and IDDA have specified the areas of emphasis and strategy. The role of the private businesses and parastatals cannot be ever emphasized in the implementation of IDDA in all its aspects. He thus called for their total involvement in all aspects and wished the workshop success in the realization of its objectives.

C. ELECTION OF OFFICERS (agenda item 2)

11. The meeting unanimously elected the following officers to constitute the Bureau:

Mr. Abdallah Ben Barek, Director General of UTICA, Tunisia, Chairman

Mr. Mebrate Mengistu, Secretary General, Ethiopian Chamber of Commerce, Ethiopia, Vice-Chairman

Mr. T. Salomon, Chief, Infrastructures Division, Development Bank of Central African States as rapporteur

D. ADOPTION OF AGENDA AND ORGANISATION OF WORK (agenda item 3)

12. The meeting adopted the following agenda and decided on its own organization of work:

1. Opening of the meeting
2. Election of the officers.
3. Adoption of the agenda and organization of work.
4. The role of private businesses and parastatals in the accelerated implementation of the IDDA:
   - Measures for strengthening the role of private businesses and parastatals
   - Case studies (Senegal, Zimbabwe)
5. Some slected topics for consideration:
   - Incentives for development of industrial entrepreneurship and promoting private businesses and parastatals
   - Mobilization of financial resources for industrialization
   - Technological and industrial manpower development and utilization
   - Industrial applications of research results
6. Any other business
7. Adoption of the report
8. Closure of the meeting

The role of private businesses and parastatals in the accelerated implementation of the IDDA (agenda item 4)

Measures for strengthening the role of private businesses and parastatals

13. A representative of the secretariat introduced document ECA/JID/IDDA/WP/1 entitled "Strengthening the role and capabilities of indigenous agents of production and distribution for accelerated implementation of IDDA objectives". He highlighted the background to the document which, he said, was the need to respond to the

implications of the new development strategy adopted by African countries and as contained in the Lagos Plan of Action and translated in operational terms in the Programme for the Industrial Development Decade for Africa (IDDA). He emphasized the fact that one of the main implications of this strategy was that no self-reliant and self-sustained industrial development could take place without the indigenous resources both physical and human being developed, mobilized, utilized and playing a major role in industrial production and related support activities. He noted that while the importance of the State's role as policy-maker, regulator and economic operator through the public sector was generally recognized, that equally crucial of indigenous agents of production and distribution as well as related support services was not receiving the degree of attention which it deserved. The fact that the bulk of industrial production in most African countries was attributable to imported factor and other inputs while the share of indigenous factors remained small constituted one of the major constraints for implementing self reliant and self-sustained industrial development and constituted one of the main reasons for foreign exchange leakages which in turn were one aggravating factor for the crisis which continued to hit Africa's industry.

14. The representative of the secretariat stated that the document was an attempt to give a synoptic analysis of the main issues and problems related to the role of indigenous agents of production and distribution and related support services. Chapter one of the document emphasized the importance of this role and drew the attention to the paradoxal fact that little or no attention and support were being accorded to indigenous agents of production and distribution. Chapter two contained an analysis of the main impediments to the development, reactivation and promotion of these agents. These included macro-level constraints associated with lack of appropriate policies and built-in constraints from the economic environment as well as micro-level impediments related to the very inadequate capabilities and capacities of indigenous agents of production and distribution, operational and input requirements of industrial production activities undertaken by these agents and both inadequate physical and institutional infrastructure.

15. Chapter three was devoted to suggested policy and other support measures and proposals for surmounting identified impediments and promoting the development and utilization of indigenous agents of production and distribution for accelerated self-reliant and self-sustained industrial development within the framework of the IDDA. The main areas for support measures incentives, support and facilities were information, sensitization, planning, technical assistance, finance and investment promotion, marketing, and industrial co-operation and collaboration.

16. In the discussions that followed, the Chairman congratulated the representative of the secretariat for his clear presentation of most of the issues related to the need for greater involvement of the private businesses and parastatals in the industrialization process in Africa. He invited the meeting to first deal with the policy framework appropriate for such greater involvement and then discuss the measures required.

17. On the issue of achieving self-reliance, representatives of Kenya and Senegal expressed their general agreement with such objective. They however, indicated that the most important aspect of self-reliance is how to achieve it. They further referred to the multiplicity of national industrial policies and to the need for this workshop to come up with practical recommendations with regard to industrial co-operation. In this regard, a representative of the secretariat referred to the

programme of the Industrial Development Decade for Africa (IDDA) in which emphasis is put on core engineering industrial and resources based industries as the prerequisites for laying the foundation of self-reliant and self-sustained industrial basis on which small-scale businesses would grow.

18. The representative of Togo also referred to the need for member States to report regularly on the progress achieved in the implementation of the programme of the Decade. The representative of UNIDO noted that such reporting has not been so far adequate and was limited only to reports made jointly by OAU, UNIDO and ECA on their own activities on the IDDA. A more regular and substantive reporting from African countries would have made it possible to assess how the strategy of the IDDA was translated into policies in various countries, how these policies take into account the role to be played by indigenous Agents of Production and Distribution (APDs), and what product-mix is required from APDs, and what constraints they face such as technology and finance. This point was particularly stressed by the representative of the Development Bank of the Central African States (BDEAC).

19. Many other participants referred to the importance of a policy framework for promoting the role of private industrial businesses. Reference was made, in this respect, to the role of institutions established for identifying potential industrial entrepreneurs and providing the necessary training. In this regard, the Chairman emphasized the need to encourage African countries in moving progressively from the mentality of trader to that of industrial entrepreneur. He further indicated that the policy pursued in his country (Tunisia) started from import substitution with the predominance of nationals, to subcontracting and then to joint ventures with a view to having easy access to technology especially in such areas as petrochemicals and textiles.

20. The Chairman then invited the participants to comment on some of the measures proposed in the secretariat paper. It was generally agreed that most of the measures proposed are pertinent and need to be translated into action-oriented proposals, once the two case-studies on Senegal and Zimbabwe and other experiences from other countries would be presented and discussed.

Case study by Senegal

21. In introducing document ECA/JID/IDDA/WP.3 entitled the Role of Local Manufacturing Enterprises in the Implementation of the IDDA Programme the representative of Senegal recalled that Senegal had one of the oldest industrial traditions in Africa. After underscoring the role played by the State immediately after independence as a promoter he mentioned all the various types of enterprises established in the country stressing their mode of operation, characteristics and problems they had encountered during their operations.

22. With respect to joint ventures, he said that there were some constraints particularly in the area of pricing, manpower management and costs of inputs. Ventures the bulk of whose capital was from foreign sources, usually French or Lebanese encountered two types of problems relating to the small size of the local market and administrative red tape.

23. With respect to small industries whose performance depended on the skill of the owner who was usually a Senegalese national, he said that they supplemented the role of large industries with which they had sub-contracts. He mentioned the problems small industries were facing and the additional support they expected from the State to develop fully.

Case study by Zimbabwe

24. The delegate from Zimbabwe informed the meeting of the exceptional size and diversity of the Zimbabwe's manufacturing sector compared to many African countries and gave a rapid glance of its aggregate features. The sector provides 24 per cent of GDP a three-fold sub-Saharian average, the manufacturing value added per capita is three times the African average, contributes between 34 and 52 per cent of export earnings depending on the classification used. It is a heavy user of imports, about 45 per cent of all commodities imported, a net user of foreign exchange, a major consumer of 48 to 50 per cent of total electricity consumption. The manufacturing sector in Zimbabwe provided 28 per cent of total Government revenue in the fiscal year 1981-1982 and 16 per cent of total formal employment.

25. The Zimbabwean manufacturing sector has 48 per cent foreign ownership. It comprises 33 subsectors and 70 per cent of possible linkages are taking place within it. About 66 per cent of the intermediate goods are imported. Zimbabwe manufactures a wide range of metallurgical, iron and steel, engineering chemicals etc., capital goods and equipments for agriculture, transport, etc.

26. He declared that State participation in the economic sector is fairly extensive but low in manufacturing sector and considers this participation necessary in basic industries for national security consideration. He advocated that Governments should support capital goods as private investors are mostly interested in intermediate and final goods. While Zimbabwe is going through a period of transition he felt mixed-economy approach to be appropriate. Therefore, the Government should provide sufficient incentives to attract local and foreign investment. He saw the key role of Government in directing and providing forum for permanent dialogue between Government/allied bodies and entrepreneurs. He advised that certain decisions touching national economic development not to be made by civil servants however knowledgeable they are and they have no hands in practice in industrial matters.

27. As regard to national versus foreign ownership, he advocated cautiousness, the main objective being to secure commitment of all partners to achieve national goals and the most concern is to increase national wealth. Zimbabwe, he said has a local stock market and sophisticated banking sector through which the issue of ownership can be tackled.

28. Among other things, he proposed the following:

- to build up political will through dialogue and by dialogue.
- promote political security without which no effective industrialization can take place.
- create investment climate and secure encouragement to private sector.
- the Government to provide infrastructure and incentives to private sector.
- the Government to create healthy environment conducive to greater mobilization of resources, more value added and leading to developing linkages.
- to establish industries with high output per unit of investment.
- to develop industries using local raw materials.
- to develop a reservoir of skills and spirit of entrepreneurship.
- Government and private sectors to provide technical training.
- speed up modernization by creating small-scale industry in rural areas.
- to device varied formula of partnership between Government/parastatals, national agencies, foreign and domestic private sectors.
- to bridge the gap and mistrust between the Government policy-makers and those operating in industry.
- to speed up decision-making process.

29. In view of the narrowness of national market and other economic impediments, the Zimbabwian delegate stated that subregional and regional co-operation is dictated by the need to co-ordinate industrial policies, to pool fragmented national markets and scarce development resources, to tackle issue of economies of scale the need to justify large-scale industries/investment and in particular the need to reduce trade and transport dependence in south Africa.

30. After this presentation, the Chairman pointed out the same conclusions reached by all the speakers: meaning the importance of the role of Government, privates and parastatals and foreign enterprises in the national industrial development. He stressed that the State should orient and guide the industrial activities in the profit of private business. Decentralization, sub-regional and regional co-operation is indispensable to justify industrial viability. He mentioned the Tunisian experience concerning automotive assembly plant where original conditions have been renegotiated to allow the country to produce up to 30 per cent of the parts of each type of car, thus gaining foreign exchange as part of the parts are exported.

31. The delegate of Ethiopia pointed out that (a) policy issues concerning the objectives and programmes of the regional industrial development have already been adopted through the Lagos Plan of Action and IDDA and therefore, he does not see the value of discussing policy issues in such workshops, (b) each state has opted for one of the fundamental economic systems to allocate its scarce reserves (free market, planned mechanism, a mixture of the two) and therefore this workshop has neither the capacity or the competence to suggest policies applicable to the region. On the other hand, it will be within the competence of such a workshop to find cases of common denominators in matters of implementation constraints and make its recommendations. In connection with this, the delegate forsees practical steps of assistance to the sector with the joint co-operation of all relevant international organs through ECA's co-ordination and not in focal point co-operation. Priority areas could include:

- measures enabling the private and prastatal industrial sector to assess its operational, financial and manpower capabilities;

- creation of institution to assist the sector in offering regular consultancy and advisory services;

- making available effective marketing and investment promotion information and consultancy services.

- creation of a national forum to act as a reliable and credible bridge with the public sector.

- creation of regional and subregional forums to be used by the sector for exchange of experiences and information in technology transfer.

- strengthening of national and regional vocational and management training institutions to give services to the private and parastatal section;

- strengthening of national and regional research and development institutions so as to assist them to make their services available to the sector especially in respect to product design and development.

Some selected topics for consideration (agenda item 5)

Effective Mobilization of Foreign and Domestic Participation for an Accelerated Industrial Action of Africa through Formulation and Implementation of Appropriate Incentives (case study by Kenya)

32. In presenting his paper entitled Effective Mobilization of Foreign and Domestic Participation for an Accelerated Industrialization of Africa through Formulation and Implementation of Appropriate Incentives - the Kenyan delegate stated that while theories abound on the merits and demerits of allowing direct foreign investment in a developing economy, he said that there are more advantages than disadvantages to yield in allowing direct foreign investment in our countries provided proper

administration and guidance are devised to channel foreign investment in line with Government industrial development objectives and priorities. He added t there is an advantage to utilize external resources to accelerate economic development within the framework of appropriate economic policies conducive t the attainment of ultimate goals.

33. Talking on incentives for development of entrepreneurship, the delegate that the rate at which new investment develops is directly proportional to th package of appropriate incentives geared to encourage local entrepreneurs and attract foreign investment. He went on to draw the list of major incentives considers determinant in promoting local and foreign entrepreneurship. These

(a) Political stability as determinant factor in investment decision-making and security of investment.

(b) Foreign investment laws regulating private investment and foreign capital and guaranting security and insurance against any form of nationalization.

(c) Tax holidays to new investors both local and foreign exempting them from paying taxes from the period they commence production.

(d) Special incentives to investment in rural areas - With the view to decentralizing and dispersing industries throughout a country through substantial grant on investment capital.

(e) Allowance on amortization to write off the depreciation on capital and equipment to enable a company to recover its investment in a shorter period.

(f) Interest rates as a tool to control and stabilize credit facilities and the conditions governing local borrowing.

(g) Repatriation of capital and profits incorporated in Foreign Investments Protection Act.

(h) Good working terms and conditions of expatriates in providing fairly similar living conditions as in their home country in order to attract them.

(i) Facilities for training/dissemination of information whose availabi attracts foreign firms to invest and influence their decision in th choice of location.

(j) Direct help on subsidies through building by the Government of basi physical infrastructures and its entering into joint ventures with them as a guarantee of their investment.

34. In addition to the above attractive package of incentives the delegate went on to propose that Government build additional production infrastrucre such as training facilities, industrial estates/industrial parks to provide factory-developed facilities to new entrepreneurs, export processing zones or free-trade zones to help local entrepreneurs in international trade competition and fast economic links locally and internationally. The delegate proposed specific recommendations to African Governments for the attainment of LPA objectives to be incorporated in the recommendation part of this report.

35. Finally, the Kenyan delegate declared that the making of industrial policy is an excercise of choice between alternative courses of industrial development together with the strategic positioning of economy's industrial resources.

Mobilization of financial resources for Industrialization by Tunisia

36. The Tunisian delegate in his statement on general policy of financing industrial projects in Tunisia pointed out the main components of a project, that the project idea should come from the promoter who is usually a former trader or civil servant converting himself into an industrialist. Tunisia has developed specialized institutions to assist future promoters he added and went on the second component which is the marketing which shall not limit itself to national market alone. In dealing with technology component, he emphasized complementarity in the field of co-operation between industrialized and developing countries with the view of exporting competitive products.

37. Moreover, human and financial means to be made available in a project preparation have been underlined, however the speaker insisted that financial requirement comes last at the end of the project analysis. The most important factor was mainly the project viability and its impact on the economic development of the country.

38. He informed the meeting of the existence of industrial development banks, industrial promotion and decentralization funds, artisan funds and investment promotion agencies created to facilitate industrial development and assist new promoters not having own resources, and explained the mechanisms of these institutions and the conditions to be met in order to assist national promoters.

39. Talking on international co-operation in important industrial projects, he sensitized the meeting on the importance of political stability of a country hosting a project and a number of guarantees for foreign capital and on various infrastructures and facilities the host country should provide in an industrial state.

40. In conclusion, the Tunisian delegate mentioned the risk to be faced at the national level in the implementation of industrial projects and cautioned to favour promotion before risk.

Some selected topics for consideration (agenda item 5)

Mobilization of financial resources for industrialization by the Development Bank of Central African States (DBCAS)

41. In his statement, the representative of DBCAS established in 1975 and operational only in 1978, before sharing his experience with the meeting, informed the participants on the existence of three main active departments dealing with financing projects in industry and mining, infrastructure and rural development.

42. Along the presentation of the DBCAS representative, delegates came to know that initial mandate of the Bank was financing large projects of subregional nature. As a result of lack of important projects the activities of the Bank were reduced considerably. It was why the Bank in 1982 got interested in direct financing of small and medium scale industries without going through national banks of member States when they exist.

43. The definition of small and medium industries differing from one country to another, the DBCAS has determined its own definition in order to be operational. It has limited its financing to projects whose total investments is around 133 million CFA francs in order not to jeopardize the activity of national banks. The DBCAS does not provide loans lower than 100 million CFA francs. Among the criteria put forward by the Bank in financing a project, the delegate has listed the existence of a market, technology choice, the economic impact of the project in the host country and location. With regard to difficulties encountered by promoters of the subregion, the delegate informed the meeting of the assistance given by the Bank in project preparation and cited five projects financed by the Bank out of which one has failed, two are in difficulty and two still operational.

44. In conclusion, the delegate stressed that the issue of industrial promotion in the Central African Subregion should be a concern to bankers alone but the State and the promoters should play equally an important role and collaboration among all those interested in industrial promotion would minimize failures.

Discussions on Incentives and Finance for Industrialisation

45. The meeting noted that often project promoters do not have prior experience in industrial activities. Hence, those who wish to engage themselves in the area may not be able to identify projects and prepare feasibility studies. It is therefore necessary to create agencies that identify and prepare project and as well monitor their implementations. In addition such agencies should identify competence and reliable project promoters.

46. African countries resort continuously to import machinery/equipments and parts from developed countries. The shortage of foreign exchange for this purpose forces them to weaken the self-reliance. In this respect the meeting feels strongly that assistance to project promoters in transfer of appropriate technologies should be provided. It is further believed that upgrading indigenous technologies will alleviate need of importing. In addition, increase in local ability to maintain and repair machinery equipment by training manpower is believed to minimize dependency.

47. To promote science and technology in African countries and as well to assist project promoters, it is noted that it is necessary to enhance indigenous consultants, among others in engineering, marketing and managements. It was also pointed out that a lot of research work done by African researchers are dissipated and this is because there is no sufficient link between researchers and manufacturers.

48. Manufacturing capacity utilization is reported to be low in many African countries. Higher utilization would increase employment. This however, according to the experience of some participants is hampered by various factors of which market products and labour laws are pointed out. Domestic markets in many African countries are limited. Subregional and regional trade relations are yet to be developed. Labour laws are inflexible. They do not encourage increasing employment at good times and allow to shed at bad times. Thus, job creation in many African countries is very poor.

49. The meeting recognized the need for assistance and incentives to promote indigenous industrialists as well as direct and indirect foreign investments. This includes marketing services, tax holidays, etc. It is also believed that political stability is pivotal to create confidence and enhance industrial investment.

50. The role of financial institutions is emphasized in promoting industrialization. The meeting underscored that once the feasibility of project is ensured and competent and reliable promoter is identified finance should not hamper project implementation. To this end, the co-operation of financial institution is important.

Industrial application of research results by Ghana

51. In introducing the above topic Professor OSEI Bonsu stated that considerable concern has been made at different levels in Africa of a lack of clear and close relationship between scientific activities in Africa and in the industrial sector in particular.

52. In bridging the gap, he cited the experience of Ghana where efforts have been made to interact research projects and pilot plants at the University of Science and Technology at Kumasi with the public. These attempts have been of limited nature as at present the university does not possess an adequate mechanism for exposing its know-how and technology and of bringing the end-users into touch with its scientists and technologists.

53. Thus based on particularly the Ghana experience, a major prerequisite for bringing research work to commercialization, is for both Governments and industry to be involved. Likewise the planners must know the resources available. To achieve these objectives a mechanism which enables the interested parties to come together for interaction and dialogue is necessary.

Technological and industrial manpower development and utilization by Addis Ababa University

54. The objective set by IDDA requires large and skilled local manpower. The scope of activities and the skill in science and technology envisaged by the objectives are wide and specific. The development of the necessary manpower needs to go simultaniously with the industrialization.

55. The content and procedure of the prevailing education system is inadequate to generate the quality and quantity of manpower alluded in IDDA. It is not geared to deliver the science and technology required to enhance industrialization at the rate envisaged by the programme. Hence, it is necessary to device a short-cut education system that can meet the new requirements.

56. It is not however sufficient to generate manpower without planning its placement. Investments that employ the newly created and skilled manpower should be made. Otherwise, the scarce resource will be squandered as people will be forced to migrate outside the region.

57. Another aspect of industrialization foreseen in IDDA is development of rural industries. This task is, to say the least very difficult. Illiteracy is high and resources to acquire science and technology by the rural population is low.

58. There is adequate proof that the peasantry is receptive to science and technology when the delivery is based on local experiences and languages. To this end, African countries need to produce engineers who will serve as industrial extension workers in the rural areas. The level of literacy of the peasants should be raised, as well as books that disseminate science and technology should be printed in national languages and made available to the rural populous.

Discussions on industrial application of research results, technological and industrial manpower development and utilization

59. Experiences of many African countries have demonstrated the gaps existing between research results, researchers, governments and industries (end-users) - co-operation among these entities is thus necessary in order to maximize benefits of industry to development through timely implementation of findings as well as directing research towards needs of end users. Research efforts should also be co-ordinated at subregional and regional levels with a view to avoiding duplication and waste.

60. As regards training and trained manpower for industry, recognition was made of the existing shortages especially with regards to the needs of the implementation of IDDA. In preparing training programmes it is thus crucial to revise the prevailing curriculums and training procedures to enhance science and technology and of relevance to envisaged needs. To achieve these objectives, end-users should be involved in determining curriculum contents and relevant policy aspects.

61. The participants observed that a high rate of Africa trained manpower does not return to Africa. There is thus a need to provide incentives to attract them back as with their knowledge of local cultures they are most likely to be effective in advancing the industrialization programme for Africa. In addition to containing brain drain, the content's under-utilized industrial capacity should be utilized so as to create more employment possibilities, while at the same time reducing waste of capital.

Any other business (agenda item 6)

62. In discussing this agenda item, the meeting concentrated mainly on issue of industrial co-operation. It was pointed out that industrial co-operation is almost non-existent in Africa among APDs. On the other hand such areas as energy, natural resources and manpower could constitute crucial areas. The multiplicity of competitive projects was one of the main obstacles for the lack of industrial co-operation.

63. As a means for increasing co-operation among APDs it was suggested to make full use of existing subregional economic groupings such as ECOWAS, PTA, etc. The meeting also stressed the need to organize regularely similar workshops in various countries as a means of promoting co-operation among APDs.

Recommendations

The African Regional Workshop of Experts on the role of private business and parastatals in the Accelerated Implementation of Industrial Development Decade for Africa (IDDA) held in Addis Ababa, Ethiopia, on December 11-13, 1985 made the following recommendations.

It is recommended that:

1. ECA/OAU/UNIDO in collaboration with other relevant international and regional organizations assist member States in particular the promoters and their organisations to attain the necessary skills in project conception, identification, formulation, evaluation and adequate structure for the monitoring of their implementation.

2. African governments adopt policy measures designed to encourage APDs in the process of accelerated implementation of the IDDA programme. Such measures may include appropriate prices to the producers, better identification and preparation of projects, improvement of institutional infrastructures for project implementation and monitoring.

3. Where possible, African governments should take the point of view of APDs in policy formulation and the establishment of better co-ordination between all the concerned parties in the implementation of the IDDA particularly in developing and upgrading local technologies, manpower development, processing local raw materials, marketing, etc.

4. Because local savings in most cases cannot purchase required factor inputs for industrialization government and international organizations, particularly ECA/OAU/UNIDO should assist in ensuring that technologies transferred are appropriate and suitable for local conditions. Such technologies should cover from production and processing to marketing and distribution including creation of research and development capability, up-grading local technologies, fabrication of machines and spare parts, etc.

5. Researchers should communicate as often as possible their findings, results to the already established data banks such as Industrial Enquiry Service (IES) and the Industrial and Technological Bank (INTIB) of UNIDO, PADIS of ECA, etc. for dissemination and circulation.

6. Consultancy services should be designed in the form of studies on organization, economic, technical, management of industrial plants, particularly of small scale nature and marketing as well as other relevant aspects of industries. To this end, ECA, UNIDO and other international organizations in collaboration with relevant national institutions, etc. are called upon to enhance the assistance already provided.

7. Government and international organizations should adopt policies to ensure maximum utilization of local expertise and consultants and attempts should be made to accord priority to African consultants and their associations.

8. Member States should adopt policies designed to establish and strengthening the link between R & D institutions, universities, manufacturers, chambers of commerce and their associations and users. This is necessary in view of the fact that many African countries, universities national and subregional R & D institutions carry out a lot of research work in the field of designing development and testing etc. which are more or less theoretical with no practical inclination.

9. Considering the great number of industries which are working under capacity utilization due to technical problems, industrialists, their associations and national authorities should endeavour to design, repair and maintenance schemes appropriate to the needs of each industrial plant so as to improve capacity utilization or ensure rehabilitation.

10. National governments as well as industrial associations are called to co-ordinate their actions to develop manpower programmes able to respond to the needs of industrial plants in particular in the fields of product design, marketing, repair and maintenance, etc. to ensure a better return on investment.

11. In order to strengthen the subregion and regional co-operation, governments should encourage the creation of joint ventures among African nationals and implement the relevant measures contained in the chapters of the existing subregional and regional organizations.

12. Governments should endeavour to create the right working environment and incentives designed to stop brain drain which is costing government a lot in terms of financial resources and required human resources.

13. That government should institute various forms of encouragements to the development of entrepreneurship within their own countries. These can be legislative measures including the revision of investment laws periodically, direct subsidies and financial assistance, tax holiday, appropriate interest dates, depreciations, etc.

14. In the excercise of allocating foreign exchange to the various sectors of the economy, government should ensure that the deserved importance is accorded to priority industrial sectors particularly within the framework of the IDDA programme.

15. In view of the high prices paid for equipment, raw materials, etc. small and medium scale ventures should endeavour to form co-operatives or other type of associations to group their purchasing orders and transmit them directly to their suppliers there-by enjoying the economy of bulk purchase in addition to by-passing middle-men.

16. Government should adopt policies requiring banks including development banks to make their lending terms and conditions more flexible so as to offer credits on suitable conditions and under suitable terms in order to provide for the short and medium term funding which small-scale industries need for their establishment and expansion.

17. Governments that have established national co-ordination committees called for in the IDDA programme should endeavour to enhance the activities and performances of these committees and to those who have not already done so to urge to create these committees as soon as possible.

18. Legislation should be enacted by governments requiring industries, particularly those paying royalities to parent industries in developed countries, to pay a certain percentage of their profit towards national industrial human resources development fund.

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